



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0720	Title:	Require inspections for dog breeding facilities
Primary Sponsor:	McAlpin, Dave	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Needs to be included in HB 2 | <input checked="" type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$182,042	\$168,550	\$0	\$0
State Special Revenue	\$0	\$0	\$172,764	\$177,083
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$172,764	\$177,083
Net Impact-General Fund Balance	(\$182,042)	(\$168,550)	\$0	\$0

Description of Fiscal Impact:

Establishment of a dog breeding facility program within the Department of Agriculture. Providing for registration and annual inspection of facilities that offers dogs for sale and authorizing a fee to be commensurate with incurred costs.

FISCAL ANALYSIS

Assumptions:

Department of Agriculture (AGR)

1. This bill creates laws governing facilities that breed and sell dogs and requires the AGR to adopt rules establishing standards for the facilities.
2. As noted in Section 1(1) the state veterinarian per 81-1-301, MCA, housed in the Department of Livestock, will conduct annual inspections of facilities that breed dogs for sale.
3. The AGR would have to contract with the Department of Livestock, Animal Health Division, for the necessary expertise to adopt rules governing inspection and standards for the facilities that breed dogs for sale.

4. The AGR would need dollars to file rules through the Secretary of State @ \$50/page. 5. As noted in the technical notes, it is assumed that this bill with the required inspections and adoption of rules should fall under the Department of Livestock.
5. Assuming that assumption #4 occurs, there is no fiscal impact to the AGR.

Department of Livestock

6. It is assumed that this program will require general fund start up seed money the first two years to begin operation. State special revenue from fees will fund the program on a commensurate with costs thereafter.
7. It is assumed that department will provide veterinary services described in this bill per 81-1-301, MCA.
8. The livestock per capita fees will not support this newly created bureau within the Animal Health Division and additional funding is required on an annual, renewable basis.
9. It is assumed that extensive public comment and industry feedback will be required to provide input as to what specific of the rules need to cover.
10. Personal services estimated costs are \$151,156 for FY 2008 and FY 2009 for 3.00 FTE for rule making and a veterinarian who determines standards of health care and licensing and registration, one inspector/compliance officer for annual inspections and investigating complaints, and one administrative support person. FTE costs are for 1.00 FTE Veterinarian to administer and authorize certifications, \$71,310; 1.00 FTE Inspector and Compliance Officer, \$48,821; and 1.00 FTE Administrative Support, \$31,025.
11. Operational costs are estimated at \$30,886 for FY 2008 and \$17,394 in FY 2009 to include 3 personal computers and hook ups, 3 new employee office packages, office rent, vehicle rental, 2 cellular phones with monthly airtime, meals, lodging, proposal, final, and publishing of administrative rules, legal review of facility and standards.
12. A 2.5% inflation factor has been applied for FY 2010 and FY 2011.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
Department of Livestock				
FTE	3.00	3.00	3.00	3.00
<u>Expenditures:</u>				
Personal Services	\$151,156	\$151,156	\$154,935	\$158,808
Operating Expenses	\$30,886	\$17,394	\$17,829	\$18,275
TOTAL Expenditures	\$182,042	\$168,550	\$172,764	\$177,083
<u>Funding of Expenditures:</u>				
General Fund (01)	\$182,042	\$168,550	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$172,764	\$177,083
TOTAL Funding of Exp.	\$182,042	\$168,550	\$172,764	\$177,083
<u>Revenues:</u>				
State Special Revenue (02)	\$0	\$0	\$172,764	\$177,083
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	(\$182,042)	(\$168,550)	\$0	\$0
State Special Revenue (02)	\$0	\$0	\$0	\$0

Technical Notes:

1. Section 1 (1) (d) states that the department will adopt rules as to the procedures it will follow to implement facility registration and inspection as required. The state veterinarian who is required to conduct the annual inspection in Section 1 (1) is housed in the LIV, not the AGR.
2. Veterinarian standards and inspections fall under the duties and responsibilities of the state veterinarian in the LIV part of Title 81, MCA. This bill references the state veterinarian yet provides under Section 3 for the codification in Title 80 under the AGR.
3. Section 1(3)(b) authorizes a commensurate with costs fee to be determined by the department but does not indicate where the fee should be deposited. It is assumed a state special revenue account would be established.
4. HB 720 addresses dogs breeding and selling facilities only at this time, costs would go up if other species such as cats or other companion animals are included in the bill or if rescues or shelters become included.
5. Facilities are only defined by the number of dogs sold, this will include individual residences that have the maximum number of litters from one female dog per year, that sell the puppies. For example golden retrievers typically have from 10 to 12 puppies.

Sponsor's Initials

Date

Budget Director's Initials

Date